



SACHI A. HAMAI
EXECUTIVE OFFICER

COUNTY OF LOS ANGELES BOARD OF SUPERVISORS

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 383
LOS ANGELES, CALIFORNIA 90012
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MEMBERS OF THE BOARD

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MARK RIDLEY-THOMAS
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

July 01, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

5 July 1, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

APPROVE THE RECOMMENDATION OF THE HEARING OFFICER REGARDING THE PETITION TO RESCIND THE SALE OF TAX-DEFAULTED PARCEL ASSESSOR IDENTIFICATION NUMBER

(AIN) 5048-020-003, 5510 BLACKWELDER STREET, LOS ANGELES 90016

SUBJECT

The above-referenced parcel of real property was sold at the 2012A Public Auction of Tax Defaulted Property held on October 23, 2012, by the County Treasurer and Tax Collector (TTC). Subsequently, an attorney for the prior lienholder petitioned your Board to request that the sale be rescinded.

Pursuant to California Revenue and Taxation (R&T) Code section 3731, a hearing was scheduled on April 30, 2014, before the appointed Hearing Officer.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the recommendation in the attached report from the Hearing Officer to rescind the sale of AIN 5048-020-003.
2. Instruct the Executive Officer to notify the Assessor and the other parties to the sale that the sale will be rescinded and the purchase price refunded to the purchaser of the parcel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approving the recommendation of the Hearing Officer in this matter keeps the County in compliance

with the relevant sections of the R&T Code.

Implementation of Strategic Plan Goals

The recommendations are consistent with the principles of County Strategic Plan Goal No. 1 (Operational Effectiveness), by providing the petitioners seeking to rescind tax sales with an Executive Officer-appointed Hearing Officer; and Goal No. 4 (Fiscal Sustainability), by avoiding unnecessary and potentially costly legal proceedings.

FISCAL IMPACT/FINANCING

The approval of the Hearing Officer's recommendation will require the County to:

- 1) Return the subject parcel to the owner of record at the time of the 2012A Tax Sale.
- 2) Refund the purchaser in the amount of \$25,141.50 plus interest in the amount of \$249.57 for a total of \$25,391.07.

The interest amount is a net County cost and is calculated based on the County pool apportioned rate for the time period starting on the date of the purchase and ending on the date of the rescission recordation as specified in R&TC sections 3731(c) and 5151.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Revenue and Taxation Code section 3725 provides for a proceeding based on alleged invalidity or irregularity of any proceedings instituted under the chapters governing sale of tax-defaulted property.

The request referenced in this letter meets the statutory guidelines and accordingly required that the Board of Supervisors conduct, or cause to be conducted through an appointed Hearing Officer, a hearing on the matter.

The hearing having been conducted, and a recommendation from the Hearing Officer received, your Board is now required to accept or reject the recommendation.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

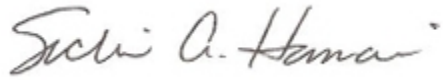
No impact.

The Honorable Board of Supervisors

7/1/2014

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Respectfully submitted,

A handwritten signature in cursive script, reading "Sachi A. Hamai".

SACHI A. HAMAI

Executive Officer, Board of Supervisors

SAH:po

Enclosures

c: Chief Executive Officer
County Counsel
Assessor
Auditor-Controller
Treasurer and Tax Collector



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May 13, 2014

Sachi A. Hamai, Executive Officer
County of Los Angeles, Board of Supervisors
500 W. Temple Street
Los Angeles, CA 90012

Dear Ms. Hamai:

Re: HEARING FOR PETITION TO RESCIND AIN 5048-020-003

The Treasurer and Tax Collector (TTC) has the power to sell nonresidential commercial property that has been delinquent in taxes for three or more years and residential property that has been delinquent in taxes for five or more years.

The Assessor's Identification Number (AIN) 5048-020-003, belonging to Jose and Maria Gutierrez, was sold at the 2012A County Public Auction on October 23, 2012. Subsequently, on October 31, 2013, Hydee Mulichak, attorney for the Bank of New York (BONY) and former property owners, Jose and Maria Gutierrez, filed a petition with the Board of Supervisors to request a rescission of the sale of AIN 5048-020-003. On December 6, 2013, the Bank of America, as successor by merger, filed a petition with the Board of Supervisors to request a rescission of the sale of AIN 5048-020-003.

Pursuant to Revenue and Taxation (R&T) Code 3731(b), on April 30, 2014, I served as Hearing Officer to hear arguments for and against rescission of AIN 5048-020-003 on behalf of the Board of Supervisors. I heard testimony from Ms. Mulichak; Yvonne Austin, on behalf of the Los Angeles County Assessor; and, Sayuj Panicker, County Counsel representing TTC. Also present at the hearing were Emily Issa, County Counsel representing the Board of Supervisors, and Ken Press, Sergio Marquez and Kathy Gloster, TTC staff. Neither the purchaser, Michael Hertz, nor his representative was present at the Hearing. I reviewed documents provided by Mr. Panicker and Ms. Mulichak.

Ms. Mulichak contends that BONY as lienholder was not provided notice of the sale and therefore AIN 5048-020-003 should not have been sold at the October 23, 2012 auction. Mr. Panicker stated that when the property was transferred to Jose and Maria Gutierrez by a grant deed in 2006, BONY acquired an interest in the property by virtue of the deed of trust. Although the grant deed and the legal description described AIN 5048-020-003 and AIN 5048-020-004, only the change in ownership of the -004 parcel was processed, despite the legal description describing both -003 and -004. Ms. Austin confirmed Mr. Panicker's statement and indicated that the grant deed was not correctly processed for either parcel.

Ms. Sachi A. Hamai, Executive Officer
May 13, 2014
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Recommendation

Since the legal description and deed of trust includes both parcels, the impounded taxes paid to BONY should have covered both parcels. When taxes became delinquent, BONY did not receive prior notice of the tax sale. Due to this error, the notice was defective per R&T Code 3701, and, as a result, AIN 5048-020-003 should not have been sold at the 2012A County Public Auction on October 23, 2012. Therefore, I recommend the sale of AIN 5048-020-003 be rescinded.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Sharon Ryzak". The signature is fluid and cursive, with the first name "Sharon" being more prominent than the last name "Ryzak".

Sharon Ryzak
Hearing Officer